

of historic homes. The Federal tax credit provided in the legislation is modelled after the existing Federal commercial historic rehabilitation tax credit. Since 1981, this commercial tax credit has facilitated the preservation of many historic structures across this great land. For example in the last two decades, in my home State of Florida, \$238 million in private capital was invested in over 325 historic rehabilitation projects. These investments helped preserve Ybor City in Tampa and the Springfield historic district in Jacksonville.

The tax credit, however, has never applied to personal residences. It is time to provide an incentive to individuals to restore and preserve homes in America's historic communities.

The Historic Homeownership Assistance Act targets Americans of all economic incomes. The bill provides lower income Americans with the option to elect a Mortgage Credit Certificate in lieu of the tax credit. This certificate allows Americans who cannot take advantage of the tax credit to reduce the interest rate on their mortgage that secures the purchase and rehabilitation of a historic home.

For example, if a lower-income family were to purchase a \$35,000 home which included \$25,000 worth of qualified rehabilitation expenditures, it would be entitled to a \$5,000 Historic Rehabilitation Mortgage Credit Certificate which could be used to reduce interest payments on the mortgage. This provision would enable families to obtain a home and preserve historic neighborhoods when they would be unable to do so otherwise.

This bill will vest power to those best suited to preserve historic housing: the states. Realizing that the States can best administer laws affecting unique communities, the Act gives power to the Secretary of the Interior to enter into agreements with states to implement a number of the provisions.

The Historic Homeownership Assistance Act does not, however, reflect an untried proposal. In addition to the existing commercial historic rehabilitation credit, the proposed bill incorporates features from several State tax incentives for the preservation of historic homes. Colorado, Maryland, New Mexico, Rhode Island, Wisconsin, and Utah have pioneered their own successful versions of a historic preservation tax incentive for homeownership.

At the Federal level, this legislation would promote historic home preservation nationwide, allowing future generations of Americans to visit and reside in homes that tell the unique history of our communities. The Historic Homeownership Assistance Act will offer enormous potential for saving historic homes and bringing entire neighborhoods back to life.

I urge my colleagues to support this bill for the preservation of history. ●

#### PAKISTAN: AMERICA'S LONG-TIME ALLY

● Mr. BROWN. Mr. President, the United States and Pakistan have a long-standing friendship. When South Asia gained its independence from Britain in 1947, the countries of the region faced an important choice—alignment with the United States or non-alignment and cooperation with the Soviet Union. Pakistan unabashedly chose the United States. In 1950, Pakistan's first Prime Minister visited the United States, laying the seeds for more than 40 years of close cooperation between our two countries.

In 1950, Pakistan extended unequalled support to the United States-led United Nations effort on the Korean peninsula. Pakistan joined in the fight against communism by joining the Central Treaty Organization [CENTO] in 1954 and the Southeast Asia Treaty Organization [SEATO] in 1955. In 1959, Pakistan and the United States signed a mutual defense treaty, under which the United States setup a military airbase near Peshawar from which reconnaissance flights over the Soviet Union were conducted. This concession came at great risk to Pakistan. After the 1960 shoot-down of Gary Powers over the Soviet Union, the Soviets issued threatening statements directed at Pakistan for its support of the United States.

Ten years later, Pakistan worked with the United States to arrange the first United States opening to China when then-Secretary of State Henry Kissinger secretly visited China from Pakistan in 1970. Partly as a result of Soviet pique over Pakistan's assistance to the United States, the Soviets entered into a treaty of friendship with India, which was shortly followed by India's invasion of East Pakistan in 1971.

From 1979 to 1989, Pakistan opened its borders and joined to United States forces assisting the Afghan rebels fighting against the Soviet occupation of Afghanistan. The reliable assistance of our friends in Pakistan played a significant role in the Soviet defeat in Afghanistan, thereby hastening the collapse of the Soviet empire and monolithic world communism.

Pakistan joined the United States during the Gulf war against Iraq, contributing significantly to the international forces arrayed against Saddam Hussein. Since 1992, Pakistan has been in the forefront of U.N. peace-keeping operations. In addition, Pakistan has cooperated extensively with the United States in our efforts to combat international terrorism, providing critical assistance in the apprehension and swift extradition of Ramzi Ahmed Yousef, the alleged mastermind of the terrorist attack on the World Trade Center in New York City. Pakistan has truly been a good friend of the United States.

Pakistan currently faces a nuclear threat from India who faces a nuclear threat from China. This circular threat

coupled with conflict after conflict in the region has created a spiraling arms race in South Asia. In 1985 the Congress adopted an amendment to the Foreign Assistance Act of 1961 cutting off all assistance to Pakistan if the President could not certify that Pakistan did not possess a nuclear explosive device. In 1990, the President was unable to issue such a certification.

After 5 years, it is clear that the non-proliferation approach outlined in this amendment—known as the Pressler amendment—has not worked. The approach taken by the amendment attempts to penalize only one party to this regional nuclear arms race, while leaving the other parties free to produce nuclear weaponry and nuclear capable delivery systems.

China has undertaken the single largest military build-up in the world. India's weapons program has continued unabated since 1974 and is now developing nuclear capable missile delivery technology that is perceived as a direct threat to Pakistan. Faced with these threats to its national security, the restrictions on United States assistance have not deterred Pakistan from developing a nuclear weapons capability. It is clear that no progress in non-proliferation has been made in South Asia since these restrictions took effect.

The President recognized this fact during the April 11, 1995, meeting with Prime Minister Bhutto of Pakistan after which he stated that "in the end we're going to have to work for a nuclear-free subcontinent, a nuclear-free region, region free of all proliferation of weapons of mass destruction." Mr. President, I ask that the full text of the President's press conference with Mrs. Bhutto be printed in the RECORD.

The text is as follows:

PRESS CONFERENCE BY THE PRESIDENT AND PRIME MINISTER BENAZIR BHUTTO OF PAKISTAN, APRIL 11, 1995

THE PRESIDENT. Please be seated. Good afternoon. It's a great pleasure for me to welcome Prime Minister Bhutto to the White House. I'm especially pleased to host her today because of the tremendous hospitality that the Prime Minister and the Pakistani people showed to the First Lady and to Chelsea on their recent trip.

I've heard a great deal about the visit, about the people they met, their warm welcome at the Prime Minister's home, about the dinner the Prime Minister gave in their honor. The food was marvelous, they said, but it was the thousands of tiny oil lamps that lit the paths outside the Red Fort in Lahore that really gave the evening its magical air. I regret that here at the White House I can only match that with the magic of the bright television lights. *(Laughter)*

Today's meeting reaffirms the long-standing friendship between Pakistan and the United States. It goes back to Pakistan's independence. At the time, Pakistan was an experiment in blending the ideals of a young democracy with the traditions of Islam. In the words of Pakistan's first President, Mohammed Ali Jinnah, Islam and its idealism have taught us democracy. It has taught us the equality of man, justice, and fair play to everybody. We are the inheritors of the glorious traditions and are fully alive to our responsibilities and obligations. Today Pakistan is pursuing these goals of combining the

practice of Islam with the realities of democratic ideals, moderation, and tolerance.

At our meetings today, the Prime Minister and I focused on security issues that affect Pakistan, its neighbor, India, and the entire South Asian region. The United States recognizes and respects Pakistan's security concerns. Our close relationships with Pakistan are matched with growing ties with India. Both countries are friends of the United States, and contrary to some views, I believe it is possible for the United States to maintain close relations with both countries.

I told the Prime Minister that if asked, we will do what we can to help these two important nations work together to resolve the dispute in Kashmir and other issues that separate them. We will also continue to urge both Pakistan and India to cap and reduce and finally eliminate their nuclear and missile capabilities. As Secretary Perry stressed during his visit to Pakistan earlier this year, we believe that such weapons are a source of instability rather than a means to greater security. I plan to work with Congress to find ways to prevent the spread of nuclear weapons and to preserve the aims of the Pressler Amendment, while building a stronger relationship with a secure, more prosperous Pakistan. Our two nations' defense consultative group will meet later this spring.

In our talks the Prime Minister and I also discussed issues of global concern, including peacekeeping and the fight against terrorism and narcotics trafficking. I want to thank Prime Minister Bhutto and the Pakistani officers and soldiers who have worked so closely with us in many peacekeeping operations around the globe, most recently in Haiti, where more than 800 Pakistanis are taking part in the United Nations operation.

On the issue of terrorism, I thank the Prime Minister for working with us to capture Ramszi Yousef, one of the key suspects in the bombing in the World Trade Center. We also reviewed our joint efforts to bring to justice the cowardly terrorist who murdered two fine Americans in Karachi last month. I thanked the Prime Minister for Pakistan's effort in recent months to eradicate opium poppy cultivation, to destroy heroin laboratories, and just last week, to extradite two major traffickers to the United States. We would like this trend to continue.

Finally, the Prime Minister and I discussed the ambitious economic reform and privatization programs she has said will determine the well-being of the citizens of Pakistan and other Moslem nations. Last year, at my request, our Energy Secretary, Hazel O'Leary, led a mission to Pakistan which opened doors for many U.S. firms who want to do business there. Encouraged by economic growth that is generating real dividends for the Pakistani people. The United States and other foreign firms are beginning to commit significant investments, especially in the energy sector. I'm convinced that in the coming years, the economic ties between our peoples will grow closer, creating opportunities, jobs and profits for Pakistanis and Americans alike.

Before our meetings today, I was reminded that the Prime Minister first visited the White House in 1989 during her first term. She left office in 1990, but then was returned as Prime Minister in free and fair elections in 1993. Her presence here today testifies to her strong abilities and to Pakistan's resilient democracy. It's no wonder she was elected to lead a nation that aims to combine the best of the traditions of Islam with modern democratic ideals. America is proud to claim Pakistan among her closest friends. *(Applause)*

PRIME MINISTER BHUTTO: Mr. President, ladies and gentlemen: I'd like to begin by

thanking the President for his kind words of support and encouragement.

Since 1989, my last visit to Washington, both the world and Pak-U.S. relations have undergone far-reaching changes. The post-Cold War era has brought into sharp focus the positive role that Pakistan, as a moderate, democratic, Islamic country of 130 million people, can play, and the fact that it is strategically located at the tri-junction of South Asia, Central Asia and the Gulf—a region of both political volatility and economic opportunity.

Globally, Pakistan is active in U.N. peacekeeping operations. We are on the forefront of the fight against international terrorism, narcotics, illegal immigration and counterfeit currency. We remain committed to the control and elimination of weapons of mass destruction, as well as the delivery systems on a regional, equitable and non-discriminatory basis.

Since 1993, concerted efforts by Pakistan and the United States to broaden the base of bilateral relations have resulted in steady progress. In September 1994, in a symbolic gesture, the United States granted Pakistan about \$10 million in support for population planning. This was announced by the Vice President at the Cairo Summit on population planning. This was followed by the presidential mission, led by Energy Secretary Hazel O'Leary, which resulted in agreement, worth \$4.6 billion being signed. And, now, during my visit here, we are grateful to the administration and the Cabinet secretaries for having helped us sign \$6 billion more of agreements between Pakistan and the United States.

During the Defense Secretary's visit to Pakistan in January 1995, our countries decided to revive the Pakistan-United States Defense Consultative Group. And more recently, we had the First Lady and the First Daughter visit Pakistan, and we had an opportunity to discuss women's issues and children's issues with the First Lady. And we found the First Daughter very knowledgeable. We found Chelsea very knowledgeable on Islamic issues. I'm delighted to learn from the President that Chelsea is studying Islamic history and has also actually read our Holy Book, the Koran Shariah.

I'm delighted to have accepted President Clinton's invitation to Washington. This is the first visit by a Pakistani's Chief Executive in six years. President Clinton and I covered a wide range of subjects, including Kashmir, Afghanistan, Central Asia, Gulf, Pakistan-India relations, nuclear proliferation, U.N. peacekeeping, terrorism and narcotics.

I briefed him about corporate America's interest in Pakistan, which has resulted in the signing of \$12 billion worth of MOUs in the last 17 months since our government took office. I urged an early resolution of the core issue of Kashmir, which poses a great threat to peace and security in our region. It has retarded progress on all issues, including nuclear and missile proliferation. A just and durable solution is the need of the hour, based on the wishes of the Kashmiri people, as envisaged in the Security Council resolutions. Pakistan remains committed to engage in a substantive dialogue with India to resolve this dispute, but not in a charade that can be used by our neighbor to mislead the international community. I am happy to note that the United States recognizes Kashmir as disputed territory and maintains that a durable solution can only be based on the will of the Kashmiri people.

Pakistan asked for a reassessment of the Pressler Amendment, which places discriminatory sanctions on Pakistan. In our view, this amendment has been a disincentive for a regional solution to the proliferation issue.

Pakistan has requested the President and the administration to resolve the problem of our equipment worth \$1.4 billion, which is held up. I am encouraged by my discussions with the President this morning and the understanding that he has shown for Pakistan's position. I welcome the Clinton administration's decision to work with Congress to revise the Pressler Amendment.

Thank you, Mr. President.

THE PRESIDENT: Thank you.

Terry.

QUESTION: Mr. President, you both mentioned the Pressler Amendment, but I'm not sure what you intend to do. Will you press Congress to allow Pakistan to receive the planes that it paid for or to get its money back?

THE PRESIDENT: Let me tell you what I intend to do. First of all, I intend to ask Congress to show some flexibility in the Pressler Amendment so that we can have some economic and military cooperation. Secondly, I intend to consult with them about what we ought to do about the airplane sale.

As you know, under the law as it now exists, we cannot release the equipment. It wasn't just airplanes, it was more than that. We cannot release the equipment. However, Pakistan made payment. The sellers of the equipment gave up title and received the money, and now it's in storage. I don't think what happened was fair to Pakistan in terms of the money. Now, under the law, we can't give up the equipment. The law is clear. So I intend to consult with the Congress on that and see what we can do.

I think you know that our administration cares very deeply about nonproliferation. We have worked very hard on it. We have lobbied the entire world community for an indefinite extension of the NPT. We have worked very hard to reduce the nuclear arsenals of ourselves and Russia and the other countries of the former Soviet Union. We are working for a comprehensive test ban treaty. We are working to limit fissile material production. We are working across the whole range of issues on nonproliferation. But I believe that the way this thing was left in 1990 and the way I found it when I took office requires some modification, and I'm going to work with the Congress to see what progress we can make.

QUESTION: Mr. President, what was your response to Pakistan's suggestion that the United States would play an active role in the solution of the Kashmir issue?

PRESIDENT CLINTON: The United States is willing to do that, but can, as a practical matter, only do that if both sides are willing to have us play a leading role. A mediator can only mediate if those who are being mediated want it. We are more than willing to do what we can to try to be helpful here.

And, of course, the Indians now are talking about elections. It will be interesting to see who is eligible to vote, what the conditions of the elections are, whether it really is a free referendum of the people's will there. And we have encouraged a resolution of this. When Prime Minister Rao was here, I talked about this extensively with him. We are willing to do our part, but we can only do that if both sides are willing to have us play a part.

QUESTION: Madam Prime Minister, why do you need nuclear weapons? And, Mr. President, don't you weaken your case to denuclearize the world when you keep making exceptions?

PRIME MINISTER BHUTTO: We don't have nuclear weapons; I'd like to clarify that—that we have no nuclear weapons. And this is our decision to demonstrate our commitment to—

QUESTION: But you are developing them?

PRIME MINISTER BHUTTO: No. We have enough knowledge and capability to make

and assemble a nuclear weapon, but we have voluntarily chosen not to either assemble a nuclear weapon, to detonate a nuclear weapon or to export technology. When a country doesn't have the knowledge and says it believes in nonproliferation, I take that with a pinch of salt. But when a country has that knowledge—and the United States and other countries of the world agree that Pakistan has that knowledge—and that country does not use that knowledge to actually put together or assemble a device, I think that that country should be recognized as a responsible international player which has demonstrated restraint and not taken any action to accelerate our common goals of nonproliferation.

THE PRESIDENT: On your question about making an exception, I don't favor making an exception in our policy for anyone. But I think it's important to point out that the impact of the Pressler Amendment is directed only against Pakistan. And instead, we believe that in the end we're going to have to work for a nuclear-free subcontinent, a nuclear-free region, a region free of all proliferation of weapons of mass destruction. And the import of the amendment basically was rooted in the fact that Pakistan would have to bring into its country, would have to import the means to engage in an arms race, whereas India could develop such matters within this own borders.

The real question is, what is the best way to pursue nonproliferation? This administration has an aggressive, consistent, unbroken record of leading the world in the area of nonproliferation. We will not shirk from that. But we ought to do it in a way that is most likely to achieve the desired results. And at any rate, that is somewhat different from the question of the Catch-22 that Pakistan has found itself in now for five years, where it paid for certain military equipment; we could not, under the law, give it after the previous administration made a determination that the Pressler Amendment covered the transaction, but the money was received, given to the sellers, and has long since been spent.

QUESTION: But will you get a commitment from them to sign the Non-Proliferation Treaty?

THE PRESIDENT: I will say again, I am convinced we're going to have to have a regional solution there, and we are working for that. But we are not making exceptions.

Let me also make another point or two. We are not dealing with a country that has manifested aggression toward the United States or—in this area. We're dealing with a country that just extradited a terrorist or a suspected terrorist in the World Trade Center bombing; a country that has taken dramatic moves in improving its efforts against terrorism, against narcotics; that has just deported two traffickers—or extradited two traffickers to the United States; a country that has cooperated with us in peacekeeping in Somalia, in Haiti, and other places.

We are trying to find ways to fulfill our obligations, our legal obligations under the Pressler Amendment, and our obligation to ourselves and to the world to promote nonproliferation and improve our relationships across the whole broad range of areas where I think it is appropriate.

PRIME MINISTER BHUTTO: May I just add that as far as we in Pakistan are concerned, we have welcomed all proposals made by the United States in connection with the regional solution to nonproliferation, and we have given our own proposals for a South Asia free of nuclear weapons and for a zero missile regime. So we have been willing to play ball on a regional level. Unfortunately, it's India that has not played ball. And what we are asking for is a leveling of the playing

field so that we can attain our common goals of nonproliferation of weapons of mass destruction.

QUESTION: Mr. President, why has the United States toned down its criticism of India's human rights violations in Kashmir—why has the United States toned down its criticism of India's human rights violations in Kashmir?

PRESIDENT CLINTON: I'm sorry, sir. I'm hard of hearing. Could you—

QUESTION: Why has the United States toned down criticism of India's human rights violations in Kashmir?

PRESIDENT CLINTON: There's been no change in our policy there. We are still trying to play a constructive role to resolve this whole matter. That is what we want. We stand for human rights. We'd like to see this matter resolved. We are willing to play a mediating role. We can only do it if both parties will agree. And we would like very much to see this resolved.

Obviously, if the issue of Kashmir were resolved, a lot of these other issues we've been discussing here today would resolve themselves. At least, I believe that to be the case. And so, we want to do whatever the United States can do to help resolve these matters because so much else depends on it, as we have already seen.

QUESTION: Mr. President, a domestic question on the bill you signed today for health insurance for the self-employed. Other provisions in that bill send a so-called wrong message on issues like affirmative action, a wrong message on wealthy taxpayers. Why then did you sign it as opposed to sending it back? Were you given any kind of a signal that this was the best you'd get out of conference?

PRESIDENT CLINTON: Well, no. I signed the bill because—first of all, I do not agree with the exception that was made in the bill. I accept the fact that the funding mechanism that's in there is the one that's in there and I think it's an acceptable funding mechanism. I don't agree with the exception that was made in the bill. And it's a good argument for line-item veto that applies to special tax preferences as well as to special spending bills. If we had the line-item veto, it would have been a different story.

But I wanted this provision passed last year, and the Congress didn't do it. I think it's a down payment on how we ought to treat the self-employed in our country. Why should corporations get a 100-percent deductibility and self-employed people get nothing or even 35 percent or 30 percent? I did it because tax day is April 17th, and these people are getting their records ready, and there are millions of them, and they are entitled to this deduction. It was wrong for it ever to expire in the first place.

Now, I also think it was a terrible mistake for Congress to take the provision out of the bill which allows—which would have required billionaires to pay taxes on income earned as American citizens and not to give up their citizenship just to avoid our income tax. But that can be put on any bill in the future. It's hardly a justification to veto a bill that something unrelated to the main subject was not in the bill. It is paid for.

This definitely ought to be done. It was a bad mistake by Congress. But that is not a justification to deprive over three million American business people and farmers and all of their families the benefit of this more affordable health care through this tax break.

QUESTION: Mr. President, don't you think that the United States is giving wrong signals to its allies by dumping Pakistan who has been an ally for half a century in the cold after the Iran war?

PRESIDENT CLINTON: First of all, sir, I have no intention of dumping Pakistan. Since I've

been President, we have done everything we could to broaden our ties with Pakistan, to deepen our commercial relationships, our political relationships and our cooperation. The present problem we have with the fact that the Pressler amendment was invoked for the first—passed in 1985, invoked for the first time in 1990, and put Pakistan in a no-man's land where you didn't have the equipment and you'd given up the money. That is what I found when I became President. And I would very much like to find a resolution of it.

Under the amendment, I cannot—I will say again—under the law, I cannot simply release the equipment. I cannot do that lawfully. Therefore, we are exploring what else we can do to try to resolve this in a way that is fair to Pakistan. I have already made it clear to you—and I don't think any American President has ever said this before—I don't think it's right for us to keep the money and the equipment. That is not right. And I am going to try to find a resolution to it. I don't like this.

Your country has been a good partner, and more importantly, has stood for democracy and opportunity and moderation. And the future of the entire part of the world where Pakistan is depends in some large measure on Pakistan's success. So we want to make progress on this. But the United States, a, has a law, and b, has large international responsibilities in the area of nonproliferation which we must fulfill.

So I'm going to do the very best I can to work this out, but I will not abandon Pakistan. I'm trying to bring the United States closer to Pakistan, and that's why I am elated that the Prime Minister is here today.

PRIME MINISTER BHUTTO: And I'd like to say that we are deeply encouraged by the understanding that President Clinton has shown of the Pakistan situation, vis-a-vis the equipment and vis-a-vis the security needs arising out of the Kashmir dispute. And also, that Pakistan is willing to play ball in terms of any regional situation.

We welcome American mediation to help resolve the Kashmir dispute. We are very pleased to note that the United States is willing to do so, if India responds positively. And when my President goes to New Delhi next month, this is an issue which he can take up with the Prime Minister of India. But let's get down to the business of settling the core dispute of Kashmir so that our two countries can work together with the rest of the world for the common purpose of peace and stability.

THE PRESIDENT: Thank you.

THE PRESS: Thank you.

Mr. BROWN: Mr. President, the Senate Foreign Relations Committee was catalysed by the Prime Minister's recent visit, and agreed during our recent markup that a new approach is needed. We passed, by a vote of 16 to 2, an amendment to modify these existing restrictions. I ask that a copy of the amendment and the report language also be printed in the RECORD.

The amendment and report language are as follows:

#### AMENDMENT NO.—

At the appropriate place in the bill, add the following new section:

#### “SEC. 510. CLARIFICATION OF RESTRICTIONS UNDER SECTION 620E OF THE FOREIGN ASSISTANCE ACT OF 1961.

Subsection (e) of section 620E of the Foreign Assistance Act of 1961 (P.L. 87-195) is amended—

(1) by striking the words “No assistance” and inserting the words “No military assistance”;

(2) by striking the words "in which assistance is to be furnished or military equipment or technology" and inserting the words "in which military assistance is to be furnished or military equipment or technology"; and

(3) by striking the words "the proposed United States assistance" and inserting the words "the proposed United States military assistance";

(4) by adding the following new paragraph: "(2) The prohibitions in this section do not apply to any assistance or transfer provided for the purposes of:

"(A) International narcotics control (including Chapter 8 of Part I of this Act) or any provision of law available for providing assistance for counternarcotics purposes;

"(B) Facilitating military-to-military contact, training (including Chapter 5 of Part II of this Act) and humanitarian and civic assistance projects;

"(C) Peacekeeping and other multilateral operations (including Chapter 6 of Part II of this Act relating to peacekeeping) or any provision of law available for providing assistance for peacekeeping purposes, except that lethal military equipment shall be provided on a lease or loan basis only and shall be returned upon completion of the operation for which it was provided;

"(D) Antiterrorism assistance (including Chapter 8 of Part II of this Act relating to antiterrorism assistance) or any provision of law available for antiterrorism assistance purposes";

(5) by adding the following new subsections at the end—

"(f) **STORAGE COSTS.**—The President may release the Government of Pakistan of its contractual obligation to pay the United States Government for the storage costs of items purchased prior to October 1, 1990, but not delivered by the United States Government pursuant to subsection (e) and may reimburse the Government of Pakistan for any such amounts paid, on such terms and conditions as the President may prescribe, provided that such payments have no budgetary impact.

"(g) **RETURN OF MILITARY EQUIPMENT.**—The President may return to the Government of Pakistan military equipment paid for and delivered to Pakistan and subsequently transferred for repair or upgrade to the United States but not returned to Pakistan pursuant to subsection (e). Such equipment or its equivalent may be returned to the Government of Pakistan provided that the President determines and so certifies to the appropriate congressional committees that such equipment or equivalent neither constitutes nor has received any significant qualitative upgrade since being transferred to the United States."

"(h) **SENSE OF CONGRESS AND REPORT.**—

"(1) It is the sense of the Congress that:

"(A) fundamental U.S. policy interests in South Asia include:

"(1) resolving underlying disputes that create the conditions for nuclear proliferation, missile proliferation and the threat of regional catastrophe created by weapons of mass destruction;

"(2) achieving cooperation with the United States on counterterrorism, counternarcotics, international peacekeeping and other U.S. international efforts;

"(3) achieving mutually verifiable caps on fissile material production, expansion and enhancement of the mutual 'no first strike pledge' and a commitment to work with the United States to cap, roll-back and eliminate all nuclear weapons programs in South Asia;

"(B) to create the conditions for lasting peace in South Asia, U.S. policy toward the region must be balanced and should not re-

ward any country for actions inimical to the United States interest;

"(C) the President should initiate a regional peace process in South Asia with both bilateral and multilateral tracks that includes both India and Pakistan;

"(D) the South Asian peace process should have on its agenda the resolution of the following—

"(1) South Asian nuclear proliferation, including mutually verifiable caps on fissile material production, expansion and enhancement of the mutual 'no first strike' pledge and a commitment to work with the United States to cap, roll-back and eliminate all nuclear weapons programs in South Asia;

"(2) South Asian missile proliferation;

"(3) Indian and Pakistani cooperation with Iran;

"(4) The resolution of existing territorial disputes, including Kashmir;

"(5) Regional economic cooperation; and

"(6) Regional threats, including threats posed by Russia and China.

"(2) **REPORT.**—Consistent with the existing reporting requirements under subsection 620F(c) of the Foreign Assistance Act of 1961 as amended, the President shall submit a report to the appropriate congressional committees on the progress of these talks, on whether South Asian countries are working to further U.S. interests, and proposed U.S. actions to further the resolution of the conflict in South Asia as listed in (1) above and to further U.S. international interests, including—

"(A) The degree and extent of cooperation by South Asian countries with all U.S. international efforts, including voting support within the United Nations; and

"(B) Whether withholding of military assistance, dual-use technology, economic assistance and trade sanctions would further U.S. interests."

#### EXCERPT FROM REPORT

*Section 510.—Clarification of restrictions under section 620E of the Foreign Assistance Act of 1961*

Section 510 amends section 620E(e) of the Foreign Assistance Act of 1961, as amended. Section 510(1) strikes the restrictions on all assistance to Pakistan and insert a restriction on military assistance in its stead. Section 510(e)(E) adds several sections to section 620E(e) of the Foreign Assistance Act, including: (1) a paragraph which specifies that prohibitions of military assistance to Pakistan do not apply to any assistance provided for the purposes of international narcotics control, military to military contacts, training or humanitarian assistance, peacekeeping, multilateral operations or antiterrorism activities; (2) a waiver of storage costs for military equipment not delivered to Pakistan and authorized repayment of those costs; (3) authorization for the return of Pakistani owned, unrepaired military equipment sent to the United States; (4) a sense of Congress statement relating to United States policy toward South Asia; and (5) an enhanced reporting requirement under section 620F(c) of the Foreign Assistance Act of 1961.

The United States friendship with Pakistan dates from 1947, soon after Pakistani independence. Since then Pakistan's cooperation with the United States has been remarkable; Pakistan stood with the United States throughout the cold war against Soviet totalitarian expansionism; Pakistan has been in the forefront of U.S.-initiated United Nations peacekeeping operations; and Pakistan has cooperated extensively with the United States in counterterrorism, providing critical assistance in the apprehension and switch extradition of Ramzi Ahmed Yousef,

the alleged mastermind of the terrorist attack on the World Trade Center in New York City.

For much of the last two decades, Pakistan has faced a nuclear threat from India. India's nuclear program, initiated in response to the threat perceived by China's development of a nuclear weapon, and three wars fought between the two countries, created the incentive for Pakistani pursuit of a nuclear program. The United States provided conventional military assistance to Pakistan, in part to discourage the development of a nuclear program. In October 1990, the President was unable to certify under section 620E(e) of the Foreign Assistance Act of 1961 as amended (known as the "Pressler Amendment") that Pakistan did not possess a nuclear explosive device, and United States assistance to Pakistan was ended.

The Pressler restrictions required a cut-off of all United States assistance to Pakistan, including assistance to United States companies doing business there. However, this legislation has not proven to be an effective tool of United States non-proliferation efforts in South Asia. In recognition of this, President Clinton called for a review of the Pressler amendment on April 11, 1995.

After careful and extensive consideration, the committee, on a vote of 16 to 2, agreed to modify the existing prohibitions on United States assistance to Pakistan under section 620E(e). The provision included by the committee specifically exempts from restrictions all assistance provided for bilateral international narcotics control activities, military-to-military contact, humanitarian assistance, peacekeeping and counterterrorism assistance.

The committee also clarified that the prohibition shall only apply to military assistance. Currently, the State Department has interpreted the Pressler amendment to include all United States assistance and sales. The committee is aware that certain aid, such as antiterrorism assistance, and certain sales of United States goods are warranted and should be encouraged. For example, equipment that assists in confidence building measures between Pakistan and India should not be prohibited. Such items would include border surveillance equipment, radar, radar warning receivers, etc. Items such as these not only promote border security and help prevent surprise attacks, but also prevent accidental incursions and incidents that could escalate into significant confrontations. As with sales of military and non-military items to India, sales of non-military equipment to Pakistan would be made on a case-by-case basis.

Notwithstanding President Clinton's commitment to resolve the outstanding issue of \$1.4 billion worth of equipment that Pakistan bought, but that has not been delivered, the administration continues to investigate possible solutions and has yet to recommend a course of action. The committee generally agreed that some resolution 1 of this issue is important, but took no action pending an administration recommendation.

*Section 511.—Statement of policy and requirement for report on oil pipeline through Azerbaijan, Armenia, Georgia, and Turkey*

Section 511 states that it is the sense of the Senate to support construction of an oil pipeline through Azerbaijan, Armenia, Georgia, and Turkey. The section also requires a report analyzing potential routes for construction of the pipeline. The report shall include a discussion of the advantages and disadvantages for different routes, including: (1) the amount of oil to be transported along each route of the pipeline; (2) the cost of constructing the pipeline; (3) options for commercial and public financing of construction

of each route of the pipeline; and (4) the impact on regional stability of the pipeline along each route.

The oil-rich Transcaucasus region that stretches between the Southern border of the Russian Federation and Iran is of great geostrategic interest to the United States. Development of an oil pipeline through Azerbaijan, Armenia and Turkey or Georgia would provide the countries in the Transcaucasus with economic access outside Russian or Iranian control. The committee believes that such a pipeline would help ensure that Armenia, Azerbaijan and Georgia remain strong and independent nations while simultaneously providing the United States with a major source of petroleum outside of the Persian Gulf.

*Section 512.—Reports on eradication of production and trafficking in narcotic drugs and marijuana*

Section 512 requires the President to submit a semiannual report to Congress on the progress made by the United States in eradicating production of and trafficking in illicit drugs. The report shall be submitted in unclassified form with a classified annex, if required.

*Section 513.—Reports on commercial disputes with Pakistan*

Section 513 requires the Secretary of State, in consultation with the Secretary of Commerce, to report 30 days after the bill's enactment, and every 90 days thereafter, on the status of disputes between the Government of Pakistan and United States persons with respect to cellular telecommunications and on the progress of efforts to resolve such disputes. The requirement to submit the report shall terminate upon certification by the Secretary of State to Congress that all significant disputes between the Government of Pakistan and United States persons with respect to cellular communications have been satisfactorily resolved.

In other sections of this bill, the committee broadened the Pressler amendment to allow, among other things, for United States trade and investment programs in Pakistan. However, the committee believes that United States companies should enjoy a friendly business atmosphere in Pakistan, without which further development of economic relations will be difficult.

*Section 514.—Nonproliferation and disarmament fund*

Section 514 authorizes \$25 million for each of the fiscal years 1996 and 1997 for the Nonproliferation and Disarmament Fund [NDF]. The NDF supplements United States diplomatic efforts to halt the spread of both weapons of mass destruction and advanced conventional weapons, their delivery systems, and related weapons and their means of delivery.

Under authority provided in section 504 of the Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act of 1992 (Freedom Support Act), significant accomplishments in furthering these nonproliferation and disarmament goals have been made. The NDF has, for example, assisted in the purchase of unsafeguarded highly enriched uranium from Kazakhstan, the destruction of Hungarian SCUD missiles, and work on deploying seismic arrays in Egypt and Pakistan necessary to test a global network to verify a Comprehensive Test Ban Treaty.

The NDF seeks bilateral and multilateral project proposals that dismantle and destroy existing weapons of mass destruction, their components and delivery systems, that strengthen international safeguards and delivery systems, that strengthen international safeguards, and that improve export controls and nuclear smuggling efforts.

Beginning in fiscal year 1996, the NDF will assume responsibility for export control assistance to the Newly Independent States [NIS]. This assistance has been provided by the Department of Defense in earlier legislation authorized under the Nunn-Lugar Comprehensive Threat Reduction Program.

The committee believes the NDF is an important element in achieving the high priority national security and foreign policy goal of slowing and reversing the proliferation of weapons of mass destruction and advanced conventional weapons.

*Section 515.—Russian nuclear technology agreement with Iran*

Section 515 expresses the sense of Congress regarding Russia's nuclear agreement with Iran. The Committee is profoundly concerned about an agreement between Russia and Iran to sell nuclear power reactors to Iran. It is the sense of this Committee that the Russian Federation should be strongly condemned if it continues a commercial agreement to provide Iran with nuclear technology which would assist that country in its development of nuclear weapons. Moreover, if such a transfer occurs, Russia would be ineligible for assistance under the terms of the Freedom Support Act.

During the May 1995 summit in Moscow, Russian President Yeltsin was asked by President Clinton to cancel the reactor sale to Iran. President Yeltsin did not halt the sale, but instead cancelled the Russian sale of a gas centrifuge to Iran and halted the training of 10 to 20 Iranian scientists a year in Moscow.

Iran is aggressively pursuing a nuclear-weapons acquisition program. The Central Intelligence Agency stated in September 1994 that Iran probably could, with some foreign help, acquire a nuclear weapons capability within 8 to 10 years. Iran is receiving that foreign help from Russia and China. Specifically, China is helping Iran build a nuclear research reactor, and in April it concluded a deal to sell Iran two light-water reactors. Pakistan, a country with . . .

Mr. BROWN. Mr. President, the nearly unanimous action by the Foreign Relations Committee is only a first step. Most importantly, there remains \$1.4 billion worth of military equipment which Pakistan bought and paid for but which has never been delivered because of existing restrictions. President Clinton himself has said this situation is "not fair to Pakistan." On behalf of a country that has been one of our closest allies throughout the cold war, the United States must rectify this circumstance.

I am certain the administration is developing alternatives, and I stand ready to work with them to ensure that our relationship with our close ally is able to move forward. Pakistan deserves fair treatment.●

**PAUL BRUHN—1995 HARRIS AWARD WINNER**

● Mr. LEAHY. Mr. President, early last month, Paul Bruhn of South Burlington, Vermont, received the 1995 Harris Award. Paul is the Executive Director of the Preservation Trust of Vermont, and I know that he was given the Award because of his life-long devotion to improving the Burlington area and helping Vermont in all things. He was recognized as the Downtown

Business Person of the Year, and the honor is justly deserved.

During the past 20 years, I cannot remember a thing done to help Burlington that did not involve Paul Bruhn. Those of us who think of Burlington as home know how much we owe to Paul. I ask that two articles from the Burlington Free Press regarding Paul, be printed in the RECORD.

The articles follow:

[From the Burlington Free Press, May 5, 1995]

**ARCHITECT, CONSULTANT HONORED**

(By Stacey Chase)

Breaking with tradition, the Downtown Burlington Development Association has announced the winners of the Nathan Harris and Hertz Pasackow awards that will be presented at the association's annual dinner May 11.

The 1995 Harris Award will be given to Paul Bruhn, executive director of the Non-profit Preservation Trust of Vermont and a private public affairs consultant. This year's Pasackow Award goes to Bob Miller for the development of his namesake building, Miller's Landmark, on the Church Street Marketplace.

"I was surprised, flattered, a little embarrassed but very appreciative," said Bruhn, 48, of South Burlington.

The Harris Award has been given since 1978 to the person "who best emulates the enthusiasm, dedication and foresight of Nate Harris in maintaining and improving the economic vitality of the Burlington central business district."

"Paul Bruhn has been involved and concerned with the vitality of downtown Burlington all of his life," said Ed Moore, executive director of the development association. "And the interesting part of Paul's accomplishment and contribution is that he's never in the limelight; he's always been behind the scenes working very, very hard."

The Pasackow Award has been given since 1984 for significant contribution to the physical or architectural quality of downtown Burlington. Miller's Landmark contains 15 stores and office space.

"When J.C. Penny chose to leave the city, the thought of a vacant shell of a building caused concern for many in downtown," Moore said. "Then Bobby Miller purchased the building, created a vision and began implementation of a plan that is represented by that building as we know it today."

Miller, 59, of Shelburne is president of REM Development Co. The Williston company is a commercial and industrial development firm.

"I think the building certainly has increased the identity of that upper block," Miller said. "And it's been kind of a fun project."

Both Harris and Pasackow were founding members of the development association. The late Nathan Harris started Nate's men's clothing store; the late Hertz Pasackow started Mayfair women's clothing store.

Moore said the decision to announce the winner before the annual dinner was made this year to give the recipients greater recognition for their work.

"We thought we could get a better turnout if people knew," Moore said.

[From the Burlington Free Press, May 12, 1995]

**PASACKOW, HARRIS AWARDS GIVEN**

(By Candy Page)

In a bittersweet moment Thursday evening, the Pasackow family, whose Church Street clothing store is closing, presented